

**GLOUCESTER COUNTY INSURANCE COMMISSION
OPEN MINUTES
MEETING – Thursday, December 17, 2015
2 S. Broad Street, Conference Room B
Woodbury, NJ 9:30 AM**

Meeting called to order by Gerald A. White, Chairman. Open Public Meetings notice read into record.

ROLL CALL OF COMMISSIONERS:

Gerald White, Chairman	Present
Michael Burke, Vice Chairman	Present
Tamarisk Jones	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joe Hrubash
--------------------	--

Claims Service	Inservco Insurance Services, Inc. Veronica George Ashley Nelms Keith Platt
----------------	--

	Consolidated Services Group, Inc. Jennifer Goldstein
--	--

	Conner Strong & Buckelew Michelle Leighton
--	--

Underwriting Services Director/RMC	Hardenbergh Insurance Group Bonnie Ridolfino Jenna Quattrone (via teleconference)
------------------------------------	---

Attorney	Long Marmero & Associates Doug Long, Esq.
----------	---

Treasurer	Tracey Giordano
-----------	------------------------

Safety Director	J.A. Montgomery Risk Control Glenn Prince
-----------------	---

ALSO PRESENT:

Dean Sizemore, Gloucester County (*via conference call*)
Tami Brown, Conner Strong & Buckelew (*via conference call for Benefit Budget*)
Matt Lyons, Gloucester County
Prudence Higbee, Esq. Capehart Scatchard
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: Open Minutes and Closed Minutes of October 22, 2015

MOTION TO APPROVE THE OPEN MINUTES & CLOSED MINUTES OF OCTOBER 22, 2015

Motion:	Commissioner Jones
Second:	Commissioner Burke
Roll Call Vote:	Unanimous

CORRESPONDENCE: None

COMMITTEE REPORTS:

SAFETY COMMITTEE: Mr. Sizemore reported the GCIC Safety and Accident Review Committee met on December 1, 2015 at the Gloucester County Improvement Authority at Budd Boulevard, Woodbury, NJ. Mr. Sizemore advised the 2016 Safety Kick Off Meeting was scheduled for January 13th at the Rowan College @ Gloucester County. Mr. Sizemore noted the new Accident Investigation On-Line Form would be rolled out.

CLAIMS COMMITTEE: Mr. Sizemore advised the Claims Committee met and the PARS would be discussed during closed session. Executive Director noted the Claims Committee 2016 Meeting Schedule was included in the agenda. Mr. Sizemore reported the meetings would be held at 2 South Broad Street or by teleconference on the second Tuesday of the month at 9:00 AM.

EXECUTIVE DIRECTOR REPORT: Executive Director advised he had several action items for his report and would begin with the 2016 Property and Casualty Budget Introduction.

2016 PROPERTY AND CASUALTY BUDGET INTRODUCTION: Executive Director referred to a copy of the budget which was included in the agenda. Executive Director advised the introductory budget was in the amount of \$5,883,767 and represented a 2.46% Commission wide increase over the 2015 budget. Executive Director reported the agenda included a narrative on the budget. Executive Director reviewed the Claims portion of the budget and noted there was an increase in the worker compensation line as the self insured retention was changing from \$250,000 to \$300,000. Executive Director advised the CEL was now attaching at \$300,000 for worker compensation coverage. Executive Director reviewed the expense portion of the budget and advised the Executive Director and Actuary’s fee were increased by 2% which was reflected in their RFP responses. Executive Director noted those two positions were unchallenged. Executive Director advised the Safety Service was increased due to an additional staff member at the County.

Executive Director noted he would have the budget amended to reflect a reduction in the auditor's fee to \$15,500 to coincide with the RFP response. Also Executive Director advised the Claims Adjustment Fee could be reduced to \$79,800 per their fee in the RFP response. Executive Director reported the Commission Attorney contract would be up for renewal in April and a 2% increase was built into the budget. Executive Director indicated the Treasurer, Underwriting Services Director and Risk Manager's fee were not increased. Executive Director reviewed the Ancillary coverages and advised the premiums were based on projections by the CEL Underwriting Manager. Executive Director noted there were new coverages added to the budget, Excess Flood and Non Owned Aviation. Executive Director asked if anyone had any questions on the budget and requested a motion to introduce the budget.

MOTION TO INTRODUCE THE 2016 PROPERTY AND CASUALTY BUDGET IN THE AMOUNT OF \$5,883,667 AND SCHEDULE A PUBLIC HEARING ON JANUARY 28, 2016 AT 9:30 AM AT 2 SOUTH BROAD STREET, WOODBURY, NJ

Motion:	Commissioner Burke
Second:	Commissioner Jones
Roll Call Vote:	Unanimous

Executive Director reported a copy of the 2016 Proposed Assessments were included in the agenda, however no action was needed now. The 2016 Assessments would be certified when the budget was adopted.

CEL DIVIDEND: Executive Director reported the CEL declared a dividend for the 2010 Fund Year for Camden County Insurance Commission and Gloucester County Insurance Commission. Executive Director advised Gloucester County Insurance Commission's share was \$48,953. Executive Director referred to a copy of the member entity share of the dividend which was included in the agenda. Executive Director advised the member entities could deduct their portion of the CEL dividend on their first 2016 assessment payment or receive a dividend check. Chairman White suggested the credit be given on the first assessment payment and Executive Director recommended the member entities follow the same procedure. After a brief discussion it was agreed a credit would be applied to the first assessment payment.

MOTION TO APPROVE A REDUCTION IN THE FIRST 2016 ASSESSMENT BILLING TO REFLECT THE 2010 CEL DIVIDEND

Motion:	Commissioner Burke
Second:	Commissioner Jones
Roll Call Vote:	Unanimous

2016 HEALTH BENEFITS BUDGET INTRODUCTION: Executive Director advised Ms. Brown was on the phone to review and answer any questions regarding the budget. Ms. Brown reviewed the line items of the budget and explained the claims margins and projected trends. In

response to Chairman White's inquiry, Ms. Brown advised the budget could include separate line items for the trend factor and the claims margins. Executive Director requested Ms. Brown to revise the budget to reflect the changes for the budget adoption.

MOTION TO INTRODUCE THE 2016 HEALTH BENEFITS BUDGET IN THE AMOUNT OF \$609,064 AND SCHEDULE A PUBLIC HEARING ON JANUARY 28, 2016 AT 9:30 AM AT 2 SOUTH BROAD STREET, WOODBURY, NJ

Motion:	Commissioner Jones
Second:	Commissioner Burke
Roll Call Vote:	Unanimous

RFP'S FOR PROFESSIONAL SERVICES: Executive Director advised his office prepared the Request for Proposals for the position of Executive Director, Risk Manager Consultant, Underwriting Services Director, Actuary, Auditor, Managed Care Provider, Third Party Administrator and Defense Panel. Executive Director advised the responses were due on December 2nd at 2:00 and a summary of the RFP opening was included in the agenda. Executive Director noted the positions of Executive Director, Risk Manager Consultant, Underwriting Services Director, Actuary, and Auditor were all unchallenged, with one response received from the each of the incumbents. Executive Director indicated multiple responses were received for positions of Managed Care, Third Party Administrator and Defense Panel positions. Chairman White advised the responses were reviewed by the Commissioners and the evaluation sheets were graded. Chairman White conducted a discussion regarding the responses. In response to Chairman White's inquiry, Commission Attorney recommended one motion could be made for the appointments at today's meeting and he would prepare the applicable resolutions for the next meeting. Chairman White advised this year the Commission would increase the number of attorney firms appointed as the Defense Panel. Chairman White advised Brown & Connery was currently handling EPL claims, however this year their services would be expanded. Chairman White indicated the fees would be as per their response or if the response indicated would accept fees set forth by the Commission, the rate was \$150 per hour as in the past. In response to Executive Director's inquiry, Ms. Ridolfino advised Madden and Madden was already approved by AIG to handle EPL claims.

MOTION TO APPROVE THE FIRMS CHANCE & MCCANN, LLP, CAPEHART SCATCHARD, PARKER MCCAY, MADDEN & MADDEN, BROWN & CONNERY, LP, AND JOHN ALICE AS THE DEFENSE PANEL FOR A PERIOD OF ONE YEAR, JANUARY 1, 2016 TO DECEMBER 31, 2016

Motion:	Commissioner Burke
Second:	Commissioner Jones
Roll Call Vote:	Unanimous

MOTION TO APPROVE THE FOLLOWING FIRMS FOR A THREE YEAR APPOINTMENT EFFECTIVE JANUARY 1, 2016

- Executive Director PERMA
- Risk Manager Consultant Hardenbergh Insurance Group
- Underwriting Services Director Hardenbergh Insurance Group
- Actuary Actuarial Advantage
- Auditor Bowman & company, LP
- Managed Care CSG
- Third Party Administer Inservco Insurance Services

Motion: Commissioner Burke
Second: Commissioner Jones
Roll Call Vote: Unanimous

AMENDMENT TO RULES & REGULATIONS: Executive Director reported his office received some suggested revisions for the Rules and Regulations. Executive Director advised a copy of the proposed amendments were included in the agenda. The amendments were reviewed by the Chairman and Commission Attorney. Executive Director indicated a Public Hearing should be scheduled for the next meeting on January 28, 2016.

MOTION TO APPROVE THE FIRST READING OF AN AMENDMENT TO THE COMMISSION'S RULES & REGULATIONS AND SCHEDULES A PUBLIC HEARING ON JANUARY 28, 2016 AT 9:30 AM AT 2 SOUTH BROAD STREET, WOODBURY, NJ

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote: Unanimous

It is noted that Commissioner Burke had left the meeting at this time.

CERTIFICATE OF INSURANCE REPORT: Executive Director reported on the Certificate of Insurance Report for the period of 10/17/15 to 12/13/15. There were a total of 24 certificates issued for this period.

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director reported the CEL met on October 22, 2015 and a summary report of the meeting was included in the agenda. Executive Director advised the CEL also met on November 19, 2015 and adopted the 2016 Budget in the amount of \$21,461,632 and certified the assessments. Executive Director indicated the worker compensation was increased from \$250,000 to \$300,000 for all members with the exception of Hudson, Ocean, Atlantic and Salem Counties. Executive Director noted the CEL Reorganization meeting was scheduled for February 25, 2016 at 1:00 PM.

GCIC PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director advised the September Property & Casualty Financial Fast Track was included in the agenda. The Commission had a surplus of \$3,155,479 as of September 30, 2015. Executive Director advised that \$1,130,422 on line 8 of the report “Investment in Joint Venture was the GCIC’s share of the CEL JIF equity. Executive Director noted the cash amount was \$4,989,162.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the agenda included the September Financial Fast Track for the NJ CEL. As of September 30, 2015 the CEL had a surplus of \$5,123,726.

HEALTH BENEFITS FINANCIAL FAST TRACK: Executive Director reported the agenda included the September and October Health Benefits Financial Fast Tracks. As of October 31, 2015 there was a surplus of \$109,988. Executive Director asked if anyone had any questions on the Financial Fast Tracks.

CLAIMS TRACKING REPORTS: Executive Director reported the agenda included the claim monitoring reports as of November 30, 2015. Executive Director referred to the Claim Activity Report and advised the purpose of the report was to review the number of claims along with changes in reserve. Executive Director advised he did not note anything unusual about the report. Executive Director also reviewed the Claims Management Report Expected Loss Ratio Analysis” report as of November 30, 2015. Executive Director noted this report tracks with the Financial Fast Track. Executive Director reviewed the report and asked if anyone had any questions.

ALTERNATE COMMISSIONER: Executive Director advised one of the other Insurance Commissions added an alternate Commissioner. Executive Director reported the By Laws allow for this and suggested the Commission consider the alternate to ensure there is always a quorum. Chairman White thought it was a good idea and would discuss with the Freeholders. Ms. Dodd noted the Commission Reorganization meeting would be held in January.

2016 MEETING SCHEDULE: Executive Director reported a copy of the proposed 2016 Meeting Schedule was included in the agenda. Executive Director advised as done in the past there were no meetings scheduled for March, May, July, August and November. Executive Director noted meetings for those months could be scheduled if necessary with additional notice required by statute. Executive Director asked if the April meeting could be changed to April 21, 2016.

Executive Director advised that concluded his report unless anyone had questions.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chairman White advised the November and December Bill Lists were included in the agenda and requested motions to approve.

MOTION TO APPROVE THE NOVEMBER BILL LIST, RESOLUTION 63-15 IN THE AMOUNT OF \$112,307.77

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote Unanimous

MOTION TO APPROVE THE NOVEMBER HEALTH BILL LIST, RESOLUTION 64-15 IN THE AMOUNT OF \$3,350.50

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote Unanimous

MOTION TO APPROVE THE DECEMBER BILL LIST, RESOLUTION 65-15 IN THE AMOUNT OF \$67,516.85

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote Unanimous

MOTION TO APPROVE THE DECEMBER HEALTH BILL LIST, RESOLUTION 66-15 IN THE AMOUNT OF \$3,350.50

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote Unanimous

Executive Director also pointed out the monthly Treasurer's reports showing the cash transactions and investments were included in the agenda.

CLAIMS REPORT:

Chairman White presented Resolution 67-15 Inservco Liability Check Register for the period of 10/1/15 through 10/31/15 and 11/1/15 to 11/30/15.

MOTION TO APPROVE RESOLUTION 67-15 LIABILITY CHECK REGISTER FOR THE PERIOD OF 10/1/15 THROUGH 10/31/15 AND 11/1/15 TO 11/30/15

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote: Unanimous

MANAGED CARE PROVIDER: Ms. Goldstein reviewed the Client Bill Review Summary Report for the months of October and November which was included in the agenda. Ms. Goldstein advised there were 93 bills received for both months. Ms. Goldstein advised the total provider charge was \$52,033.64. The total allowed amount was \$36,588.55. Ms. Goldstein advised the total savings for October and November was \$15,445.09 or 30% savings. Ms. Goldstein advised that concluded her report unless anyone had any questions. Ms. Goldstein noted next month she would provide a summary of the 2015 figures.

CEL SAFETY DIRECTOR:

REPORT: Mr. Prince reviewed the October through December 2015 Risk Control Activity Report which was included in the agenda. Mr. Prince noted there were some security changes with NJ Motor Vehicle CAIR program and would discuss in more detail with Mr. Sizemore.

In response to Chairman White's inquiry regarding the Safety Kick Off Meeting, Ms. Ridolfino advised "Save the Date" invitations were sent out. Ms. Ridolfino noted the focus of the meeting would be the new Safety Accident On Line Form and the BRIT Program.

RISK MANAGEMENT/UNDERWRITING SERVICES DIRECTOR:

REPORT: Ms. Ridolfino requested a motion for an amount not to exceed \$1,000 for the webmaster to work on the on line Accident Form. Ms. Ridolfino noted that she discussed this item with the Executive Director and advised this could be charged to the miscellaneous and contingency line of the budget.

MOTION TO AUTHORIZE AN AMOUNT NOT TO EXCEED \$1,000 FOR THE WEBMASTER

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote: Unanimous

Ms. Ridolfino distributed her report and advised she needed a motion to renew several bonds which were outlined in her report. Ms. Ridolfino noted that C N A offered a flat renewal on all of the bonds.

MOTION TO AUTHORIZE THE UNDERWRITING SERVICES DIRECTOR TO RENEW THE BOND FOR UNDERSHERIFF KNESTAUT WITH C N A EFFECTIVE 12/28/15 FOR \$175; THE BOND FOR UNDERSHERIFF BAY WITH C N A EFFECTIVE 12/28/15 FOR \$175; THE BOND FOR SHERIFF MORINA WITH C N A EFFECTIVE 12/3/15 FOR

**\$350; THE BOND FOR DEPUTY SURROGATE WITH C N A EFFECTIVE
1/1/16 FOR \$70**

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote: Unanimous

Ms. Ridolfino advised that concluded her report unless anyone had any questions.

ATTORNEY: Commission Attorney did not have anything to discuss.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO PUBLIC

Moved: Commissioner Jones
Second: Chairman White
Roll Call Vote: Unanimous

Seeing no members of the public wishing to speak Chairman White asked for a motion to close the public comment portion of the meeting.

MOTION TO CLOSE THE MEETING TO THE PUBLIC

Moved: Commissioner Jones
Second: Chairman White
Roll Call Vote : Unanimous

CLOSED SESSION: Chairman White read and requested a motion to approve Resolution 68-15 authorizing a Closed Session to discuss PARS & SARS relating to pending or anticipated litigation as listed.

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote: Unanimous

MOTION TO GO INTO CLOSED SESSION

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote: Unanimous

MOTION TO RETURN TO OPEN SESSION

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote: Unanimous

Commission Attorney advised he would read the applicable motions to approve the PARS discussed during closed session.

MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM # 3530001441 FROM \$15,000 TO \$89,260 AN INCREASE OF \$74,260

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote: Unanimous

MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM # 3530001434 FROM \$15,000 TO \$93,300 AN INCREASE OF \$78,300

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote: Unanimous

MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM # 3530001101 FROM \$15,000 TO \$83,000 AN INCREASE OF \$68,000

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote: Unanimous

MOTION TO AUTHORIZE AN INCREASE IN AUTHORITY FOR CLAIM # 3530000937 FROM \$69,144.56 TO \$85,342.72 AN INCREASE OF \$16,198.16

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote: Unanimous

MOTION TO ADJOURN:

Motion: Commissioner Jones
Second: Chairman White
Roll Call Vote: Unanimous

MEETING ADJOURNED: 10:55 AM

Minutes prepared by: Cathy Dodd, Assisting Secretary